

# Research Brief

## Partnering for Development: Dutch NGOs and Private Sector Partnerships

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By Anke van der Heul  
with support by  
Stella Pfisterer and Nasim Payandeh

The following paper constitutes a summary of a research project by **Anke van der Heul**, exploring Dutch NGO perceptions on their collaboration with the private sector and the potential role the Dutch government can have in enhancing partnership effectiveness.

#### Introduction

Recent years have shown a shift in the perceptions of private sector's role in development. The state and civil society, traditional actors in solving social issues, are increasingly acknowledging the trend of businesses taking more action in development. NGOs are moving away from their confrontational interactions with the private sector and becoming more embracing and integrative. Particularly, NGOs in developed countries are therefore recurring to include the business sector as partner for enhancing the effectiveness of their own development projects and vice versa. This results in an increasing amount of Profit-Nonprofit Partnerships (PNPs).

This research project aimed to better understand the nature of such PNPs from the perspective of the NGOs involved. In doing so, it provides insights on NGOs' motivation to engage with the private sector, their perceptions and expectations on businesses as partners, the roles and function of NGOs and business in partnerships and whether NGOs consider a specific role for governments to support PNPs. The research, hence aimed to answer the question: *"In what way do NGOs partner with the private sector and what could be the role for governments in these NGO-private sector partnerships?"*

#### Methods

The research is based on a case-study approach analysing the perspectives of four Dutch NGOs involved in partnerships with the private sector. NGO selection was based on the NGO-Partnership Database of the Partnerships Resource Centre. NGOs were selected based on the references they made to businesses and partnerships with the private sector in their annual reports (2008). Four NGOs were ultimately selected for the analysis: *Woord en Daad*, *Oxfam Novib*, *ICCO* and *Solidaridad*. Interviews with representatives of the NGOs, who were particularly involved in PNPs, were complemented by desk research.

## Findings and Conclusions

It was uncovered that all four NGOs were engaged in partnerships with businesses both in their home countries and the countries where they implement projects. NGOs expressed that their choice to collaborate with businesses, as an alternative approach to lobbying and advocacy, is depended on the type of issue they were tackling. Reasons provided by NGOs in building PNPs included access to additional funding, achieving higher impact of development projects implemented by either partner or tackling issues that require joint action from different society actors (see figure 1).

Reason for Cooperation	Woord en Daad	ICCO	Oxfam Novib	Solidaridad
<b>Business as a source of finance</b>	X	X	X	
<b>Cooperation with business for achieving higher impact</b> <ul style="list-style-type: none"> <li>- For achieving higher impact of NGO project</li> <li>- For achieving higher impact of business project</li> </ul>	X <sup>1</sup>	X	X	X
<b>Cooperation with business for solving complicated problems that need to be solved with other societal actors</b> <ul style="list-style-type: none"> <li>- Business as a partner in dialogue</li> <li>- Business as a partner in joint projects or dialogue</li> </ul>		X	X	X

**Figure 1: Overview - Reasons for Cooperation**

NGOs highlighted a number of expectations on their corporate partners; first, that transparency was an important precondition for partnering. Second, NGOs perceive that in order to result in successful partnerships, private sector partners should share a common set of values with NGOs and acknowledge NGOs' social and environmental objectives. Third, businesses should demonstrate commitment in the long-run and be willing to engage in critical out-of-the-box thinking.

From the NGOs' perspective, businesses have complimentary capacities and were seen to contribute, besides financial capital, with their ability to access certain channels and markets, with their knowledge and experience related to logistics and primary processing, and their capacity to achieve efficiencies. This can be considered to translate into a different way of working and different approaches to development which could enhance development impact.

In terms of their own roles in the partnerships, the analyzed NGOs showed that these could either be the same across all partnering initiatives, or they could opt for changing roles depending on the particularities of each PNP they are engaged in. Roles included:

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<sup>1</sup> At the time of the interviews Woord and Daad was starting the cooperation with business for achieving higher impact. Currently, Woord and Daad is active in this field of cooperation.

- (a) *Facilitator/Broker*: an intermediary and facilitating role between Northern business partners and businesses and NGOs in the South. A financial contribution is not an element of this role.
- (b) *Donor/Sponsor/Financier*: facilitating role and additionally accepts part of the risk, which is necessary to establish the partnership. The NGO's local partners implement the partnership project, often in collaboration with the private sector. These projects are – partially – financed by the Northern NGO. The role of the Northern NGO lies mainly with project management, in particular monitoring and evaluation.
- (c) *Technical assistant/Consultant*: invests in the capacity building of Southern partners and provides assistance in the form of knowledge, skill development and know-how to partners.
- (d) *Technical Expert/Implementer*: contributes resources such as time and money in the field to the project and the partnership. The NGO, for instance makes knowledge of possible stakeholders and of the local context available. They might contribute knowledge and time to e.g. studies and activities. In addition, the technical expertise role can also be carried out in the form of giving trainings.

Additional findings indicated that while the particularities of the collaboration processes varied to a certain extent among NGOs, all shared a clear understanding and vision of the importance of engaging in partnerships with the private sector. Moreover, NGOs are also critical of their programmes and engage in constant processes of monitoring and evaluation, thus resulting in higher levels of responsiveness to changing conditions and emerging opportunities in the area of development. This was seen to affect the evolution of their chosen approaches to PNPs. It can be concluded that NGOs were consistent in realizing the added value of adopting a partnering approach to their development work. NGOs mention that as a result of cooperation the likelihood of achieving certain objectives and undertaking certain activities increased significantly, which allowed, for instance, to consider the potential for scaling-up. Partnerships are considered to open up “new possibilities” and “new perspectives”.

Finally, it was established that the Dutch government indeed has the potential to contribute to the effectiveness of PNPs even when they are not active partners in PNPs. Governments can mainly provide support in two ways:

- 1) As *communication agents*, promoting the partnerships' activities and value: governments should communicate the added value of PNPs to on-the-ground institutions and local authorities through their embassies and subsidiary development agencies. But they can at the same time motivate their embassies and agencies to adopt integrative approaches and not only learn from PNPs but also incorporate them in the network of their bilateral development activities. It is also considered important for governments to promote the supportive role of ministries, embassies, agencies and other public authorities (within their own government system and those in the developing countries) have in enhancing the effectiveness of PNPs.
- 2) As *enablers*, reducing rigidities within their own development policies to allow for more flexibility in NGO initiatives and partnership strategic and operational choices.

This could, for instance, enable NGOs to make more appropriate decisions in terms of their investments and subsidy disbursements across partnership activities.